

5.3. EXTENSION OF DEVELOPMENT LEASE - AGED CARE FACILITY - JOHNSTON ROAD MOSSMAN

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RECOMMENDATION

That Council:

- 1. resolves in accordance with Section 10.11 of the Development Lease, the Expiry Date of the Development Lease is extended up to and including 31 July 2019 to enable delivery of the Aged Care Facility.**
- 2. delegates authority to the Mayor and Chief Executive Officer in accordance with section 257 of the Local government Act 2009 to finalise any and all matters associated with the extension of the Development Lease.**

EXECUTIVE SUMMARY

A Development Lease between Douglas Shire Council and The Salvation Army (TSA) was entered into in August 2016 to provide for the delivery of an Aged Care Facility on land owned by Douglas Shire Council located at Johnston Road Mossman.

The Development Lease is due to expire on 30 June 2018.

Since the execution of the Development Lease, significant infrastructure works have been completed to support the development of the land for an Aged Care Facility. Detailed design of the facility continues to take place since Council's endorsement of a suite of plans in October 2017 as being in accordance with the Design Guidelines contained within the Development Lease.

It has been known for quite sometime that an extension to the Development Lease would be required in order to deliver the project.

A request by the project superintendent, pursuant to Section 9.2 of the Development Lease has been received advising that the lease is to be extended by 13 months in order to complete the development. The revised expiry date of the Development Lease is suggested to be 31 July 2019.

CONSIDERATION & COMMENT

As mentioned above, it has been known for quite sometime that an extension of the Development Lease would be required in order to deliver the project.

The particular section of the Development Lease under which the request was made is debatable as this particular section enables the tenant to extend the expiry date by the number of days anticipated to complete the Project Work. It is suggested that this clause enables the ability to extend the lease (in days) to account for any time delays or over-runs in completing the works during the construction of the project as opposed to wholesale

extensions to the expiry date when building approval is yet to issue and design elements of the building are still under consideration.

Section 10.9 of the Development Lease provides an ability to extend the term of the lease, and in particular 10.11 which provides the ability to extend the term of the lease no later than 18 months from the current Expiry Date of 30 June 2018. It is this clause under which the request is being considered and determined.

The request to extend the term up to 31 July 2019 is supported to enable delivery of the project.

Further discussions are taking place at the present time between Council and TSA with respect to design elements of the development and landscaping treatments in order to reflect the Design Guidelines contained within the Development Lease and to ensure the plans remain largely consistent with the suite of plans approved by Council in October 2017.

The request to extend the term of the Development Lease to 31 July 2019 is supported and recommended to Council for approval.

FINANCIAL/RESOURCE IMPLICATIONS

The extension of the Development Lease does not have any impact on financial or resource considerations for Council.

RISK MANAGEMENT IMPLICATIONS

Extending the term of the Development Lease enables the opportunity for the delivery of the project. It has been known for a long time that the Development Lease will require extending to accommodate the delivery of the project.

To not extend the Development Lease would give rise to substantial risk and would compromise the project.

SUSTAINABILITY IMPLICATIONS

Economic: The development of an Aged Care Facility provides for economic benefits both in the short term during the construction of the project and long term through the creation of jobs and career path opportunities.

Environmental: Infrastructure works to support the development have been completed. The construction of the works were undertaken in accordance with best practice with respect to soil and sediment erosion control measures to ensure the environmental attributes of the site being adjacent Marrs Creek were maintained.

Social: The delivery of an Aged Care Facility represents a significant investment in community infrastructure and enhances the social wellbeing and services available to the Mossman community.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 1 - Celebrating Our Communities

1.1.4 - Support and encourage a healthy, active and capable region through sporting, cultural and recreational opportunities, and community wellbeing initiatives.

1.2.1 - Advocate for state and federally funded services in identified areas of need.

1.3.1 - Take a proactive role in supporting the provision of improved facilities and services directed at assisting and caring for vulnerable groups in our communities.

Theme 2 - Building a Sustainable Economic Base

2.3.4 - Develop positive partnerships with economic development organisations and work proactively towards achieving mutually agreed goals and objectives.

Theme 4 - Engage, Plan, Partner

4.2.2 - Provide leadership to secure beneficial social, environmental and economic outcomes for the Shire.

Operational Plan 2017-2018 Actions:

1.2.2 - Stage 2 Mossman District Nursing Home Site

The delivery of the Aged Care Facility will greatly assist with the development of the balance of the site for a range of aged care accommodation types.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Part-Funder Sharing the cost of a program or activity with other organisations.

CONSULTATION

Internal: A number of discussions and workshops have taken place with internal staff and elected representatives.

External: The discussions referenced above have also included TSA and the Mossman District Nursing Home Committee.

COMMUNITY ENGAGEMENT

The broader community have been kept informed as the development of the land progresses through newspaper articles, media releases and community information sessions conducted by TSA.

ATTACHMENTS

Nil